
2 Top REITs Looking Attractive Right Now

## Description

In these rather turbulent economic times, investors may be wary of investing in, well, just about anything. Rising interest rates make for a bearish setup, with investors scrambling to find assets that may hold up well in this environment.



Investors in real estate investment trusts (REITs) have done quite well in recent years. Surging real estate values and very low interest rates have provided very bullish catalysts for these vehicles. However, the outlook remains uncertain right now.

With that said, there are reasons investors may want to consider REITs right now. These trusts provide investors with steady cash flows and passive income over time. Accordingly, for those who think inflation will continue, rising rents should offset costs, providing a safer investment opportunity right now.

Here are two top REITs I think are worth considering in this environment.

# Top REITs: H&R REIT

One of the top REITs in Canada many investors may have heard of is **H&R REIT** (TSX:HR.UN). This REIT invests in a wide range of properties across several real estate sectors including residential, commercial, retail, industrial and more. This trust focuses on the U.S. and Canadian markets.

H&R REIT is diversified across various North American markets, but, interestingly, has outsized exposure to Western Canada. Accordingly, given the surge in energy prices we've seen of late, this positioning is solid. This has bolstered the REIT's investment thesis, in my view.

Notably, H&R REIT's diversification and management team are viewed as key differentiators with this trust. For investors seeking a mid-cap REIT option (H&R carries a market capitalization around $3.5 billion), and excellent bond-like yield (currently around 4.2%), this top REIT has a lot to offer.

# RioCan REIT

Another top REIT I've had on my radar for some time is **RioCan REIT** (TSX:REI.UN). RioCan is one of the largest real estate investment trusts in Canada. Like its peers, RioCan has a diversified portfolio of properties. However, these properties tend to be clustered close to high-density parts of the country.

As its name suggests, RioCan is focused on the Canadian real estate market. Currently, the company has around 36 million square feet of leasable space. A robust balance sheet, strong pipeline of development projects, and excellent management team make this trust worth considering.

Overall, RioCan has maintained a low payout ratio relative to its peers. With a dividend yield of 4.5%, this payout is among the highest quality of large-cap REITs in Canada. Accordingly, for those seeking safety in this volatile market, this is a great option to consider right now.

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. TSX:HR.UN (H&R Real Estate Investment Trust)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)



**PARTNER-FEEDS**

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

**PP NOTIFY USER**

1. chrismacdonald
2. kduncombe

**Category**

1. Dividend Stocks
2. Investing

**Date**
2025/07/01
**Date Created**
2022/05/09

**Author**
chrismacdonald